

REPORT ON FINANCIAL TRENDS IN MINDANAO

Submitted to Secretary Paul Dominguez,
Presidential Adviser for Regional Development

Submitted by:
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Davao City, Mindanao, Philippines

In association with:
The Rural Bankers Association of the Philippines

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Financial Trends in Mindanao

May 17, 2002

Data Source

All data are from the Bangko Sentral ng Pilipinas (BSP). Available regional data is up to September 2001 only. Data on the number or size of loans are not available. Also, commercial banks and thrift banks report only consolidated data. Concerning data on SME loans, only data from rural banks are reported by region, hence, overall SME data for Mindanao are not available.

Executive Summary

Year 2001 reversed the negative loan trends in the last two years for Mindanao, with loans outstanding up by 6.4 percent from December 2000 to September 2001. After accounting for the effects of inflation, Mindanao loans posted a positive growth of 3 percent. In contrast, nationwide loans continued to decline.

Mindanao remains a deposit surplus area, with deposits exceeding loans by a factor of 2 to 1. Deposit surplus is also seen in all the other regions across the country - indicating that funds are not flowing out of Mindanao, but are put into active use at a reduced rate.

Non-performing loans (NPLs) of commercial banks increased 2.3 percentage points from December 2000 to December 2001, from 15.1 percent to 17.4 percent. Rural banks' NPLs in Mindanao decreased slightly by 0.80 percentage points from December 2000 to June 2001, from 18.74 percent to 17.94 percent.

SME loans comprise 15 percent (P242 billion) of the banking system's loan portfolio as of September 2001.

Of the total SME loans from rural banks in September 2001, Mindanao rural banks contributed 17 percent (P1.86 billion). The share of MABS participating rural banks in Mindanao continuously increased. They contributed P110.6 million, or 6 percent, to rural banks' SME loans in the region as of September 2001. Per BSP definition, all MABS loans are included in the SME loan data.

Loans Outstanding (Table 1.1)

- ❑ *Nationwide*: The amount of loans outstanding in the Philippine banking system decreased by 2 percent from December 2000 to September 2001. After accounting for the effects of inflation, however, loans actually decreased by 5 percent.
- ❑ *Mindanao*: Total volume of loans outstanding increased by 6.35 percent from December 2000 to September 2001. All regions registered an increase in loan portfolio, except for Western Mindanao, which posted a 9 percent decrease. Notably, Central Mindanao showed an increase of 22 percent.

- ❑ Mindanao's share to total national loans in September 2001 was 3.7 percent.
 - Northern Mindanao and Southern Mindanao comprise 76 percent of all loans in Mindanao.

Non-performing Loans and Interest Rate Trends (Tables 1.2 and 1.3)

- ❑ *Nationwide*: Total loans among *commercial banks* (KBs) decreased by 3.6 percent from December 2000 to December 2001. Non-performing loans increased from 15.1 percent to 17.4 percent of the total portfolio.
- ❑ *Mindanao*: Non-performing loans of rural banks in Mindanao decreased minimally by 0.80 percentage points from December 2000 to June 2001, from 18.74 percent to 17.94 percent.
- ❑ *Nationwide*: Nominal interest rates for both loans and deposits among commercial banks increased from December 2000 to December 2001.
- ❑ *Regional*: Historical data for interest rates are not collected by the BSP by region. Nor are they collected by type of bank or by type or size of loan. As such, these regional data are not available.

Outstanding Loans to SMEs (Table 2)

- ❑ *Nationwide*. Outstanding SME loans of the banking system amounted to P242 billion in September 2001. This amount is 15 percent of total loans by the banking system.
- ❑ *Nationwide*. Of the total SME loans, rural banks supplied P10.9 billion or 4.5 percent of the total. SME loans make up 27 percent of the rural banking system's portfolio.
- ❑ *Mindanao*. Of the total SME loans from rural banks in September 2001, Mindanao rural banks contributed 17 percent (P1.86 billion). This amount is about 29 percent of all rural bank loans in Mindanao.
- ❑ *Mindanao*. Mindanao's 17 percent of total Philippines banking system SME loans is significantly higher than Mindanao's meager 3.7 percent of total Philippines banking system loans outstanding.
- ❑ *Mindanao*. Under MABS-assisted loan products, the 62 participating bank units contributed P110.6 million, or 6 percent, to the total SME loans by rural banks in Mindanao in September 2001. All of MABS' microfinance loans are classified as SME loans by the BSP.

Total Deposits (Table 3)

- ❑ *Nationwide:* Deposits increased by 6 percent from December 2000 to September 2001. However, after accounting for the effects of inflation, deposits actually increased by only 3 percent.
- ❑ From December 2000 to September 2001, Mindanao's deposit base grew substantially by 17 percent. The Mindanao region held 5.54 percent of total deposits of the banking system, a slight improvement from its 5.33 percent share a year ago.
 - All regions posted positive growth rates in total deposits.
 - Southern Mindanao still has the highest share (42 percent) of the total deposits in Mindanao.

Surplus Deposits in Mindanao (Tables 4.1 and 4.2)

- ❑ Mindanao continues to have adequate financial resources for loans. The region, as a whole, is a deposit surplus area, with deposits exceeding loans almost 2:1.
 - Deposit to loan ratios are almost 5:1 in ARMM and almost 4:1 in Western Mindanao.
- ❑ At 17 percent growth rate, deposits in Mindanao are growing much faster than loans, indicating a reduction in the active use of resources in the economy.

Assets (Tables 5)

- ❑ *Nationwide:* Total national banking system assets contracted by 14 percent from December 2000 to September 2001.
- ❑ *Mindanao:* In contrast, assets of Mindanao banks considerably increased by 13 percent. The increase is across all regions. Mindanao comprised 5 percent of total banking system's assets as of September 2001.
 - Southern Mindanao still accounts for the highest share in total banking assets in Mindanao (45 percent as of September 2001).

Table 1.1 Loans Outstanding, 1998-2001

Philippine Banking System and Mindanao Banks

(Amounts in million pesos)

	Loans Outstanding				Growth Rate			% Share			
	1998	1999	2000	Sep2001	1998-1999	1999-2000	Dec00-Sep01	1998	1999	2000	Sep2001
Philippine Banking System	1,646,120	1,651,841	1,643,410	1,610,098	0.35%	-0.51%	-2.03%	100.00%	100.00%	100.00%	100.00%
Mindanao Banks	69,614	59,283	56,081	59,643	-14.84%	-5.40%	6.35%	4.23%	3.59%	3.41%	3.70%
Region IX-Western Min	6,392	4,953	5,970	5,410	-22.51%	20.53%	-9.38%	0.39%	0.30%	0.36%	0.34%
Region X-Northern Min	17,941	16,806	15,129	17,935	-6.33%	-9.98%	18.55%	1.09%	1.02%	0.92%	1.11%
Region XI-Southern Min	35,844	28,767	27,401	27,499	-19.74%	-4.75%	0.36%	2.18%	1.74%	1.67%	1.71%
Region XII-Central Min	3,954	3,602	2,744	3,362	-8.90%	-23.82%	22.52%	0.24%	0.22%	0.17%	0.21%
Region XIV-ARMM	1,799	1,406	1,274	1,387	-21.85%	-9.39%	8.87%	0.11%	0.09%	0.08%	0.09%
Region XV-Caraga	3,684	3,749	3,563	4,050	1.76%	-4.96%	13.67%	0.22%	0.23%	0.22%	0.25%

Source of basic data: BSP

Table 1.2 Selected Financial Indicators
Philippines, 1995-2001
(Amounts in Million Pesos)

	1995	1996	1997	1998	1999	2000	2001
<u>Loans</u>							
Total Loans Outstanding - KBs ^{1/}	737,300	1,120,300	1,416,800	1,348,200	1,354,200	1,451,500	1,399,200
Non-performing loans - KBs ^{2/}	28,000	34,200	73,600	160,000	195,400	245,800	281,900
<i>As % of total loans</i>	3.8%	3.1%	5.2%	10.4%	12.3%	15.1%	17.4%
<u>Nominal Interest rates (% p.a., average)</u>							
Manila Reference Rates (90 days) ^{3/}	9.6%	10.9%	11.1%	13.8%	10.1%	8.8%	10.1%
T-bills - 91 days ^{4/}	11.3%	12.4%	13.1%	15.3%	10.2%	9.9%	9.9%
Time deposits-all maturities	9.3%	11.5%	11.2%	12.7%	9.5%	8.5%	9.5%
Lending rates-all maturities	14.6%	14.8%	16.2%	18.4%	11.8%	10.9%	12.4%

^{1/}Peso and foreign accounts excluding transactions of local banks' foreign office and interbank loans.

^{2/}Per BSP Circular 202 issued in May 1999, new NPL definition is: all loan accounts whose principal and/or interest is unpaid for 30 days or more after due date.

^{3/}Based on average rates on promisory notes and time deposits charged by sample comm'l banks.

^{4/}Averages on date of issue.

Source: BSP

**Table 1.3 Non-performing Loans
Mindanao Rural Banks, 1999-2001
(Amounts in Million Pesos)**

	Non-performing loans ^{1/}			% to total loans (NPL Ratio)		
	1999	2000	June2001 ^{2/}	1999	2000	June2001
Mindanao Rural and Coop Rural Banks	1,350.8	1,338.2	1,348.1	20.02%	18.74%	17.94%
Region 9-Western Mindanao	71.6	80.4	77.8	13.87%	13.18%	12.44%
Region 10-Northern Mindanao	310.5	323.0	350.0	13.72%	14.58%	15.30%
Region 11-Southern Mindanao	737.6	680.8	654.6	29.45%	27.14%	25.73%
Region 12-Central Mindanao	119.2	128.5	150.9	17.93%	16.95%	18.68%
ARMM	6.9	11.2	12.9	12.16%	17.14%	17.19%
CARAGA	105.1	114.3	101.9	14.18%	11.63%	8.67%

^{1/}Past due + Items in litigation

^{2/}New NPL definition per BSP Circular 202, i.e., all loan accounts whose principal and/or interest is unpaid for 30 days or more after due date.

Source: BSP-SRSO

Table 2. Outstanding Loans to SMEs, 1998-2001
Philippine Banking System and Mindanao Rural Banks
(In Million Pesos)

	Loans Outstanding to SMEs				Growth Rate			% share of SMEs to total loans outstanding of the banking system			
	1998	1999	2000	Sep2001	1998-1999	1999-2000	Dec-00-Sep-01	1998	1999	2000	Sep2001
Philippines (KBs, TBs, and RBs)	240,762	248,193	231,630	242,573	3.09%	-6.67%	4.72%	14.63%	15.03%	14.09%	15.07%
Rural Banks	6,718	8,076	8,761	10,921	20.21%	8.48%	24.65%	2.79%	3.25%	3.78%	4.50%
								% Share to total RBs			
Mindanao (RBs only) ^{1/}	834.5	1,077.8	1,267.2	1,857.9	29.16%	17.57%	46.61%	12.42%	13.35%	14.46%	17.01%
Region IX-Western Min	75.6	116.4	143.3	131.4	53.97%	23.11%	-8.30%	1.13%	1.44%	1.64%	1.20%
Region X-Northern Min	187.2	195.2	87.8	131.7	4.27%	-55.02%	49.95%	2.79%	2.42%	1.00%	1.21%
Region XI-Southern Min	330.9	404.3	615.4	1,018.6	22.18%	52.21%	65.51%	4.93%	5.01%	7.02%	9.33%
Region XII-Central Min	123.9	226.2	283.4	255.9	82.57%	25.29%	-9.70%	1.84%	2.80%	3.23%	2.34%
Region XIV-ARMM	0.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Region XV-Caraga	116.9	135.7	137.3	320.3	16.08%	1.18%	133.31%	1.74%	1.68%	1.57%	2.93%

^{1/}Regional breakdown of loans to SMEs is available only for RBs; other bank types like KBs submit only aggregate/national data. Data on loans granted not available.

Source of basic data: BSP-SRSO

Table 3 Total Deposits, 1998-2001

Philippine Banking System and Mindanao Banks

(Amounts in million pesos)

	Total Deposits				Growth Rate			% Share			
	1998	1999	2000	Sep2001	1998-1999	1999-2000	Dec00-Sep01	1998	1999	2000	Sep2001
Philippine Banking System	1,794,810	1,919,728	2,020,696	2,147,612	6.96%	5.26%	6.28%	100.00%	100.00%	100.00%	100.00%
Mindanao Banks	86,388	92,130	101,267	118,880	6.65%	9.92%	17.39%	4.81%	4.80%	5.01%	5.54%
Region IX-Western Min	14,816	15,994	18,919	20,722	7.95%	18.29%	9.53%	0.83%	0.83%	0.94%	0.96%
Region X-Northern Min	17,577	18,555	21,039	24,134	5.56%	13.39%	14.71%	0.98%	0.97%	1.04%	1.12%
Region XI-Southern Min	36,060	38,804	40,173	49,841	7.61%	3.53%	24.07%	2.01%	2.02%	1.99%	2.32%
Region XII-Central Min	6,103	6,432	6,882	8,635	5.39%	7.00%	25.47%	0.34%	0.34%	0.34%	0.40%
Region XIV-ARMM	5,592	5,581	6,050	6,704	-0.20%	8.40%	10.81%	0.31%	0.29%	0.30%	0.31%
Region XV-Caraga	6,240	6,764	8,204	8,844	8.40%	21.29%	7.80%	0.35%	0.35%	0.41%	0.41%

Source of basic data: BSP

Table 4 Deposits to Loans Ratio, 1998-2001

Philippine Banking System and Mindanao Banks

(In Percent)

	Deposit-to-Loans Ratio			
	1998	1999	2000	Sep2001
Philippine Banking System	109%	116%	123%	133%
Mindanao Banks	124%	155%	181%	199%
Region IX-Western Min	232%	323%	317%	383%
Region X-Northern Min	98%	110%	139%	135%
Region XI-Southern Min	101%	135%	147%	181%
Region XII-Central Min	154%	179%	251%	257%
Region XIV-ARMM	311%	397%	475%	483%
Region XV-Caraga	169%	180%	230%	218%

Table 5 Assets, 1998-2001

Philippine Banking System and Mindanao Banks

(Amounts in million pesos)

	Assets				Growth Rate			% Share			
	1998	1999	2000	Sep2001	1998-1999	1999-2000	Dec00-Sep01 ^{1/}	1998	1999	2000	Sep2001
Philippine Banking System	2,824,447	3,033,089	4,374,092	3,744,770	7.39%	44.21%	-14.39%	100.00%	100.00%	100.00%	100.00%
Mindanao Banks	130,605	132,758	152,382	171,953	1.65%	14.78%	12.84%	4.62%	4.38%	3.48%	4.59%
Region IX-Western Min	17,444	18,739	22,108	25,726	7.42%	17.98%	16.37%	0.62%	0.62%	0.51%	0.69%
Region X-Northern Min	30,728	31,412	37,650	38,752	2.23%	19.86%	2.93%	1.09%	1.04%	0.86%	1.03%
Region XI-Southern Min	60,066	59,422	65,612	77,282	-1.07%	10.42%	17.79%	2.13%	1.96%	1.50%	2.06%
Region XII-Central Min	8,380	8,396	9,393	10,616	0.19%	11.87%	13.02%	0.30%	0.28%	0.21%	0.28%
Region XIV-ARMM	6,056	6,196	7,368	8,130	2.31%	18.92%	10.34%	0.21%	0.20%	0.17%	0.22%
Region XV-Caraga	7,931	8,593	10,251	11,447	8.35%	19.29%	11.67%	0.28%	0.28%	0.23%	0.31%

^{1/} Decrease in total national banking system assets is accounted for by National Capital Region, whose assets comprises 77 percent of the system.

Financial Trends in Mindanao

July 26, 2001

In nominal terms, loans for Mindanao contracted 25 percent from 1998 to 2000. After accounting for the effects of inflation, loans have actually dropped 33 percent in real terms. At the same time, non-performing loans at commercial banks have increased from an average of 3.1 percent of the total commercial bank loan portfolio in 1996 to an alarming 15.1 percent average rate in the year 2000. This has been against a steady drop in nominal interest rates among commercial banks since 1998.

Conversely, in Mindanao, deposits have greatly increased, with enough available for doubling the level of loans in Mindanao. In 2000, deposits exceeded loans by a factor of 2 to 1, even given the drop in nominal interest rates since 1998. Deposits do not seem to be flowing out of Mindanao, either, since all other regions of the Philippines similarly had excess deposits over loans.

A bright spot for Mindanao, SME loans from the rural banking system increased substantially over 1998-2000. With a total outstanding microfinance loan portfolio of P53 million as of December 31, 2000, the MABS-M Program contributed roughly 12 percent to the rise in SME loans. Per BSP definition, all MABS-M loans are included in the SME loan data.

All data are from Bangko Sentral ng Pilipinas (BSP). Unfortunately, available data on loans do not include the number or size of loans. Also, commercial banks and thrift banks report only consolidated data. Only data on SME loans from rural banks are reported by region. Hence, overall SME data for Mindanao are not available.

Loans Outstanding (Table 1.1)

- ❑ *Nationwide*: There was virtually no growth in gross amount of loans outstanding in the Philippine banking system as a whole over the period 1998 to 2000.
- ❑ *Mindanao*: Total volume of loans outstanding has contracted over the last two years at an average annual rate of 13 percent. Except for Region IX where loans rose 13 percent in 2000, loans shrank across the entire Mindanao region, with the biggest drop in Region XII.
- ❑ The share of Mindanao to total national loans continued falling, ending at 3.1 percent in 2000 from 4.2 percent in 1998.
 - Region XI comprises half of all loans in Mindanao.

Non-performing Loans and Interest Rate Trends (Tables 1.2 and 1.3)

- ❑ *Nationwide:* Total loans among *commercial banks* (KBs) have increased slightly in the period from 1998 to 2000. In the same period, the percentage of non-performing loans among commercial banks drastically increased by nearly 619 percent, from P34.2 billion in 1996 to P245.8 billion in 2000. As a percentage of total commercial bank portfolio, this marks an increase from 3.1 percent of portfolio in 1996 to 15.1 percent of portfolio in the year 2000.
- ❑ *Nationwide:* Nominal interest rates for both loans and deposits among commercial banks have been dropping since 1998. Unfortunately, historical data for interest rates are not collected by the BSP by region. Nor are they collected by type of bank or by type or size of loan. As such, these regional data are not available.
- ❑ While data for non-performing loans among other types of banks are not available from the BSP by region, they are available for rural and cooperative rural banks in Mindanao, since these data are reported separately and not consolidated into the overall data. As shown on Table 1.3, the percentage of non-performing loans among rural and cooperative rural banks in Mindanao remains alarmingly high, though it has decreased slightly from 20.02 percent in 1999 to 18.74 percent in 2000.

Outstanding Loans to SMEs (Table 2)

- ❑ *Nationwide:* SME loans amounted to P232 billion in 2000, contracting by 8.6 percent from the previous year. This amount is 14 percent of total loans by the banking system.
- ❑ Of the total SME loans, rural banks supplied P8.7 billion or close to 4 percent of the total in 2000. SME loans make up 20 percent of the rural banking system's portfolio.
- ❑ *The growth of SME loans among rural banks is probably one of the bright spots for Mindanao*, where SME loans have increased substantially by 52 percent (or P432.7 million) from 1998 to 2000. Under MABS-assisted loan products, the 20 participating rural banks contributed P52.6 million to this total in 2000, or 12 percent to the increase in SME loans over this period. All of MABS' microfinance loans are classified as SME loans by the BSP.
- ❑ Of the total SME loans from rural banks, Mindanao banks contribute 14 percent (P1.27 billion). This amount is about one-third of all rural bank loans in Mindanao.
- ❑ Mindanao's 14 percent of total Philippines banking system SME loans is significantly higher than Mindanao's meager 3.41 percent of total Philippines banking system loans outstanding.

Total Deposits (Table 3)

- ❑ *Nationwide:* Deposits have been growing over the last two years, with a 7 percent increase in 1999 and a 5.6 percent increase in 2000.
- ❑ In contrast, Mindanao's deposit base shows a much higher growth rate, rising by 10 percent in 2000 from 1999. The Mindanao region still only held 5 percent of total deposits of the banking system in the year 2000.
 - The data show higher deposit growth rates for Regions IX-W. Mindanao (17 percent); CARAGA (16 percent); and Region X-N. Mindanao (12 percent).
 - 40 percent of the total deposits in Mindanao come from Region XI-Southern Mindanao.

Surplus Deposits in Mindanao (Tables 4.1 and 4.2)

- ❑ Mindanao appears to have adequate financial resources for loans. The region, as a whole, is a deposit surplus area, with deposits exceeding loans almost 2:1.
 - Deposit to loan ratios are about 5:1 in ARMM and 3:1 in Region IX-Western Mindanao.
- ❑ We cannot say that there is a net outflow of financial resources from Mindanao since data for all other regions, including NCR, show deposits exceeding loans. However, it is clear through the increase in deposits and decrease in loans that the region's financial resources are being put to active use in the economy at a much reduced rate. This may be caused in part by the continuing high rate of non-performing loans in the region, which we were able to document for rural and cooperative rural banks in Mindanao (see Table 1b).

Assets (Table 5)

- ❑ *Nationwide:* Total national banking system assets enjoyed a hefty growth rate in 2000 (44 percent), reversing the sluggish growth the previous year.
- ❑ *Mindanao:* Assets growth for Mindanao also improved in 2000, but at a much lower rate (15 percent) than nationwide. Asset growth has been on a downward trend since 1998. Mindanao comprised 3.5 percent of total banking system's assets at the end of 2000.
 - 43 percent of total banking assets in Mindanao come from Region XI.

Table 1.1 Loans Outstanding, 1998-2000									
Philippine Banking System and Mindanao Banks									
(Amounts in million pesos)									
		<i>Loans Outstanding</i>			<i>Growth Rate</i>		<i>% Share</i>		
		1998	1999	2000	1998-1999	1999-2000	1998	1999	2000
Philippine Banking System		1,646,120	1,651,841	1,643,410	0.35%	-0.51%	100.00%	100.00%	100.00%
Mindanao Banks		69,614	59,283	56,081	-14.84%	-5.40%	4.23%	3.59%	3.41%
	Region IX-Western Min	6,392	4,953	5,970	-22.51%	20.53%	0.39%	0.30%	0.36%
	Region X-Northern Min	17,941	16,806	15,129	-6.33%	-9.98%	1.09%	1.02%	0.92%
	Region XI-Southern Min	35,844	28,767	27,401	-19.74%	-4.75%	2.18%	1.74%	1.67%
	Region XII-Central Min	3,954	3,602	2,744	-8.90%	-23.82%	0.24%	0.22%	0.17%
	Region XIV-ARMM	1,799	1,406	1,274	-21.85%	-9.39%	0.11%	0.09%	0.08%
	Region XV-Caraga	3,684	3,749	3,563	1.76%	-4.96%	0.22%	0.23%	0.22%

Philippine Banking System and Mindanao Rural Banks										
(In Million Pesos)										
		<i>Loans Outstanding</i>			<i>Growth Rate</i>		<i>% Share to total RP</i>			
		1998	1999	2000	1998-1999	1999-2000	1998	1999	2000	
Philippines (KBs, TBs, and RBs)		240,762	248,193	231,630	3.09%	-6.67%				
% of Total Loans Outstanding							14.63%	15.03%	14.09%	
Rural Banks		6,718	8,076	8,761	20.21%	8.48%	2.79%	3.25%	3.78%	
							<i>% Share to total RBs</i>			
Mindanao (RBs only) ^{1/}		834.5	1,077.8	1,267.2	29.16%	17.57%	12.42%	13.35%	14.46%	53
Region IX-Western Min		75.6	116.4	143.3	53.97%	23.11%	1.13%	1.44%	1.64%	
Region X-Northern Min		187.2	195.2	87.8	4.27%	-55.02%	2.79%	2.42%	1.00%	4.15%
Region XI-Southern Min		330.9	404.3	615.4	22.18%	52.21%	4.93%	5.01%	7.02%	
Region XII-Central Min		123.9	226.2	283.4	82.57%	25.29%	1.84%	2.80%	3.23%	
Region XIV-ARMM		0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%	0.00%	
Region XV-Caraga		116.9	135.7	137.3	16.08%	1.18%	1.74%	1.68%	1.57%	
^{1/} Regional breakdown of loans to SMEs is available only for RBs; other bank types like KBs submit only aggregate/national data. Data on loans granted not available.										
Source: BSP										

Table 3. Total Deposits, 1998-2000									
Philippine Banking System and Mindanao Banks									
(Amounts in million pesos)									
		Total Deposits			Growth Rate		% Share		
		1998	1999	2000	1998-1999	1999-2000	1998	1999	2000
Philippine Banking System		1,794,810	1,919,728	2,020,696	6.96%	5.26%	100.00%	100.00%	100.00%
Mindanao Banks		86,388	92,130	101,267	6.65%	9.92%	4.81%	4.80%	5.01%
	Region IX-Western Min	14,816	15,994	18,919	7.95%	18.29%	0.83%	0.83%	0.94%
	Region X-Northern Min	17,577	18,555	21,039	5.56%	13.39%	0.98%	0.97%	1.04%
	Region XI-Southern Min	36,060	38,804	40,173	7.61%	3.53%	2.01%	2.02%	1.99%
	Region XII-Central Min	6,103	6,432	6,882	5.39%	7.00%	0.34%	0.34%	0.34%
	Region XIV-ARMM	5,592	5,581	6,050	-0.20%	8.40%	0.31%	0.29%	0.30%
	Region XV-Caraga	6,240	6,764	8,204	8.40%	21.29%	0.35%	0.35%	0.41%

Table 4.1 Surplus Deposits, 1998-2000										
Philippine Banking System and Mindanao Banks										
(In million pesos)										
		<i>Total Deposits</i>			<i>Loans Outstanding</i>			<i>Net Outflow (Deposit-Loans Outstanding)</i>		
		1998	1999	2000	1998	1999	2000	1998	1999	2000
	Philippine Banking System	1,794,810	1,919,728	2,020,696	1,646,120	1,651,841	1,643,410	148,690	267,887	377,286
	Mindanao Banks	86,388	92,130	101,267	69,614	59,283	56,081	16,774	32,847	45,186
	Region IX-Western Min	14,816	15,994	18,919	6,392	4,953	5,970	8,424	11,041	12,949
	Region X-Northern Min	17,577	18,555	21,039	17,941	16,806	15,129	-364	1,749	5,910
	Region XI-Southern Min	36,060	38,804	40,173	35,844	28,767	27,401	216	10,037	12,772
	Region XII-Central Min	6,103	6,432	6,882	3,954	3,602	2,744	2,149	2,830	4,138
	Region XIV-ARMM	5,592	5,581	6,050	1,799	1,406	1,274	3,793	4,175	4,776
	Region XV-Caraga	6,240	6,764	8,204	3,684	3,749	3,563	2,556	3,015	4,641
Table 4.2 Deposits to Loans Ratio, 1998-2000										
Philippine Banking System and Mindanao Banks										
(In Percent)										
		<i>Deposit-to-Loans Ratio</i>								
		1998	1999	2000						
	Philippine Banking System	109	116	123						
	Mindanao Banks	124	155	181						
	Region IX-Western Min	232	323	317						
	Region X-Northern Min	98	110	139						
	Region XI-Southern Min	101	135	147						
	Region XII-Central Min	154	179	251						
	Region XIV-ARMM	311	397	475						
	Region XV-Caraga	169	180	230						

Table 5. Assets, 1998-2000									
Philippine Banking System and Mindanao Banks									
(Amounts in million pesos)									
		<i>Assets</i>			<i>Growth Rate</i>		<i>% Share</i>		
		1998	1999	2000	1998-1999	1999-2000	1998	1999	2000
Philippine Banking System		2,824,447	3,033,089	4,374,092	7.39%	44.21%	100.00%	100.00%	100.00%
Mindanao Banks		130,605	132,758	152,382	1.65%	14.78%	4.62%	4.38%	3.48%
	Region IX-Western Min	17,444	18,739	22,108	7.42%	17.98%	0.62%	0.62%	0.51%
	Region X-Northern Min	30,728	31,412	37,650	2.23%	19.86%	1.09%	1.04%	0.86%
	Region XI-Southern Min	60,066	59,422	65,612	-1.07%	10.42%	2.13%	1.96%	1.50%
	Region XII-Central Min	8,380	8,396	9,393	0.19%	11.87%	0.30%	0.28%	0.21%
	Region XIV-ARMM	6,056	6,196	7,368	2.31%	18.92%	0.21%	0.20%	0.17%
	Region XV-Caraga	7,931	8,593	10,251	8.35%	19.29%	0.28%	0.28%	0.23%